

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
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QMC Purchases of Fancy Peas

Following the issuance of three invitations for bids on Fancy peas, the Chicago Quartermaster Purchasing Office has awarded contracts for approximately 25 percent of total military requirements of canned peas of the current pack.

The first three invitations issued this summer by the QMC asked for Fancy peas. On the basis of response to these invitations, contracts for about 7,608,000 pounds were awarded on August 15. Requirements of canned peas from this year's pack were estimated by the QMC last April 6 at 29,822,000 pounds.

Commerce Secretary Reports in Government Business Study

The views of businessmen, public officials and labor leaders with regard to taxation, procurement and other Federal activities are summarized in an interim report to the White House by Secretary of Commerce Charles Sawyer covering the first series of meetings in the Administration's on-the-spot study of the country's economic conditions.

While withholding any of his own recommendations, which will be prepared at the conclusion of the survey, Secretary Sawyer itemized a number of suggestions on Federal policy. The report is in the form of a letter reporting on discussions held in a number of states in New England, the East, Midwest, and South. Certain portions of the letter's "summary of suggestions" are quoted:

"(1) . . . All recognized the difficulty of providing for negotiated contracts of procurement and admitted the soundness of the theory that the Government should let contracts impartially to the lowest and best bidder. In an effort, however, to meet the problems of specific areas with some help through procurement, a number of suggestions were made, such as,

"(a) That the listed exceptions in the Armed Services Procurement Act should, where possible, be availed of;

"(b) That by legislation the Government should be given some additional leeway in the matter of negotiated contracts; (Please turn to page 292)

Senate Votes 75-Cent Minimum Wage, Leaves Canning Exemptions Unchanged

After rejecting several proposals to establish the minimum wage at a lower figure, the Senate on August 31 passed a stripped-down wage-hour bill raising the minimum to 75 cents an hour. The Senate-approved measure leaves all canning exemptions unchanged from the present law.

In addition to the minimum wage increase, the Senate voted only seven amendments to the Fair Labor Standards Act, rather than adopting a broad revision such as that approved by the House on August 11. The Senate amendments could conceivably be accepted by the House and enacted into law, but it is expected that the Senate amendments and House bill will be sent to conference.

The vote by which the Senate adopted the 75-cent minimum, rather than a lower figure, was 51 to 26.

The Senate provided in its bill that the new minimum wage and other wage-hour amendments will be effective 120 days after the President signs the measure into law, and the House bill says 60 days. Unless the House adopts the language of the Senate bill, the conference committee will have to (Please turn to page 292)

Farm Bill Drafted by Anderson Reported to Senate; Provides Flexible Price Supports for Perishables

Following a White House conference on the Administration's farm program, the Senate Committee on Agriculture on August 31 unanimously reported the farm bill drafted by the Anderson subcommittee. With respect to perishables, the bill is similar to the Aiken Act, providing for price supports subject to the availability of funds and the supply and demand situation.

The Anderson bill prescribes flexible levels of price support ranging from 75 to 90 percent of parity according to the supply of each commodity. These flexible scales would apply to the six basic commodities and to perishables. Certain nonbasic agricultural commodities would be supported at from 60 to 90 percent of parity.

The new measure, S. 2522, does not include any features of the farm program proposed by Secretary of Agriculture Charles Brannan. Instead, it appears to be a modification of the Aiken Act, raising the lower level of support for the six basic commodities from 60 to 75 percent of parity, and

reaffirming the intent of Congress to support prices of perishables.

The portions of the Anderson bill providing price support for perishables, including fruits and vegetables,

(Please turn to page 292)

Reciprocal Trade Agreements

Following conclusion of wage-hour action in the Senate, the Reciprocal Trade Agreements bill, H. R. 1211, was made the unfinished business, to be taken up when the Senate meets on Wednesday, September 7.

CONGRESS

Food and Drug Imports

After adopting amendments acceptable to the Committee on Interstate and Foreign Commerce, the Senate on August 27 passed H. R. 160, a bill to provide specific statutory authority for relabeling imported goods which do not comply with requirements of the Federal Food, Drug and Cosmetic Act. The measure has not yet been sent to conference.

Wage-Hour

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select a time period acceptable to both houses.

As the Senate began wage-hour consideration, it was announced that the Senate Labor Committee proposed to withdraw its proposed amendment to bring "area of production" under the minimum wage requirements. Thus, as they relate to canning operations, Sections 7(b) (3), 7(c), 13(a) (5) and 13(a) (10) of the present Act would not be changed by the Senate bill.

During debate on the measure, Senator Pepper (Fla.) assured Senator O'Connor (Md.) that in conference committee sessions with the House he will attempt to eliminate the Bates amendment and maintain fish processing exemptions as they are in the present law.

Senator Pepper was subcommittee chairman and acted as floor manager for the bill. He was one of the conferees appointed to meet with House conferees, the others being Senators Thomas (Utah), Murray (Mont.), Taft (Ohio) and Aiken (Vt.). House conferees probably will not be appointed until the lower house resumes regular work sessions on September 21.

The Senate rejected by voice vote an amendment proposed by Senator Cain (Wash.), to provide that employees who are exempt from the provisions of Section 7(c) and 13(a) (10) would also be exempt from the maximum hours and overtime provisions of the Walsh-Healey Act.

Senator Ellender (La.) and Senator Schoeppel (Kans.) argued, on another occasion, that if the minimum wage is raised to 75 cents there will be no further necessity for the Walsh-Healey Act. Senator Ellender pointed out that the Fair Labor Standards Act and Walsh-Healey Act are in conflict, and declared that the latter should be repealed.

Price Support Program

(Concluded from page 291)

are quoted in part as follows:

"Sec. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity . . . at a level not in excess of 90 percent of the parity price for the commodity.

"Sec. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 percent of the parity price of such commodity nor less than the level provided in the following table. . . .

"Provided, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support programs and consideration of the other factors specified in section 401(b), determines that such lower level is desirable and proper.

"Sec. 401 (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

"(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price support operation shall be undertaken and the level of such support, and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported, and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

"(c) Compliance by the producer with acreage allotments, production

goals and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support."

The bill also calls for the use of "Section 32" funds for the support of perishables, as has been the case with previous farm legislation.

Government Business Study

(Concluded from page 291)

"(c) That large contracts should be broken up so that small businesses could bid upon them;

"(d) That a longer period should elapse between the notification and the taking of bids;

"(e) That an improved system of notices should be devised which would give prospective or possible bidders a maximum opportunity to learn of proposed procurements.

"(2) The almost universal recommendation of business groups was that further reductions and economies should be made by the Federal government in its own expenditures . . .

"(3) There was very strong demand, almost vociferous, that wartime excise taxes be repealed as soon as possible . . .

"(4) Almost as much emphasis was placed on the need for liberalization of depreciation allowances in connection with income taxes . . .

"(5) Small business made certain suggestions with reference to income tax exemptions, among others that the first \$25,000 of corporate business income be exempted from taxation. Another was that business profits up to a certain maximum be exempted from taxation when used for capital improvements.

"(6) There appeared to be no substantial sentiment for accelerating the general level of Federal public works beyond that now contemplated . . .

"(7) Small business repeatedly spoke of difficulties in getting loans for plant investment or for operating capital. Repeated emphasis was given to the difficulty of obtaining equity capital through the sale of common stocks. A number of suggestions for special Federal assistance through the RFC and otherwise were made, including a suggestion that the Federal government guarantee loans to small business on a basis comparable to the FHA guarantee on mortgages. Bankers with whom I talked generally were of the opinion that small businesses with any reasonable prospect of success were being very fairly treated.

"(a) Labor representatives repeatedly pointed out . . . the high cost of necessities and urged that unemployment compensation be increased both in duration and amount . . ."

PROCUREMENT

Canned Peach Purchases

Purchase of 937,210 cases of canned peaches for use in the National School Lunch Program was announced August 30 by the U. S. Department of Agriculture.

Average purchase price, without discounts, averaged \$3.535 per case for all types, sizes and styles. The peaches were purchased for delivery September 15-December 15 from 23 processors in California, New York, Oregon and Washington, and included 497,090 cases of No. 10's and 408,000 cases of No. 2 1/2's of clingstones, and 20,120 cases of No. 10's and 12,000 cases of No. 2 1/2's of freestones.

Invitations for Bids

Quartermaster Purchasing Office—111 East 16th Street, New York 3, N. Y.; 1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif. (Western Branch).

Veterans Administration—Procurement Division, Veterans Administration Building, Washington 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

CANNED CORN (Extra Standard)—38,404 dozen No. 2 and 4,528 dozen No. 10 cans, f.o.b. origin. Bids due at Chicago under Bid No. QM-11-183-50-55 by Sept. 7.

TOMATO PUREE (Fancy)—2,050 dozen No. 10 and 440 dozen No. 1 cans, f.o.b. origin. Bids due at Chicago under Bid No. QM-11-183-50-75 by Sept. 18.

TOMATO PUREE (Fancy)—10,664 dozen No. 2 and 4,817 dozen No. 10 cans, f.o.b. origin. Bids due at Chicago under Bid No. QM-11-183-50-130 by Sept. 16.

TOMATO PUREE (Fancy)—128,533 dozen No. 10 and 20,240 dozen No. 1 cans, f.o.b. destination. Bids due at Chicago under Bid No. QM-11-183-50-135 by Sept. 16.

TOMATO JUICE (Fancy)—25,886 dozen No. 2 and 30,680 dozen 46-oz. cans, f.o.b. origin. Bids due at Chicago under Bid No. QM-11-183-50-131 by Sept. 21.

TOMATO JUICE (Fancy)—1,340 dozen No. 2 and 10,600 dozen 46-oz. cans, f.o.b. origin. Bids due at Chicago under Bid No. QM-11-183-50-132 by Sept. 21.

CANNED TOMATOES (Extra Standard)—79,020 dozen No. 10 and 141,344 dozen No. 2 cans, f.o.b. origin. Bids due at Chicago under Bid No. QM-11-183-50-126 by Sept. 27.

CANNED TOMATOES (Extra Standard)—30,497 dozen No. 10 cans, f.o.b. destination. Bids due at Chicago under Bid No. QM-11-183-50-128 by Sept. 27.

The Veterans Administration has invited sealed bids to furnish the following:

CANNED PEARS—5,350 dozen No. 10 cans (Choice) and 6,000 dozen No. 2 cans (Diabetic), f.o.b. origin. Bids due under Invitation No. 46-S by Sept. 8.

CANNED HOMINY (Fancy)—1,250 dozen No. 10 cans, f.o.b. destination. Bids due under Invitation No. 41-S by Sept. 8.

FRUIT FOR SALAD (Diabetic)—4,000 dozen No. 2 cans, f.o.b. origin. Bids due under Invitation No. 43-S by Sept. 12.

CANNED PEACHES (Choice)—8,750 dozen No. 10 cans of clings, f.o.b. origin. Bids due under Invitation No. 44-S by Sept. 18.

CANNED PLUMS (Choice)—2,125 dozen No. 10 cans, f.o.b. origin. Bids due under Invitation No. 45-S by Sept. 13.

CANNED FIGS (Choice)—1,750 dozen No. 10 cans, f.o.b. origin. Bids due under Invitation No. 46-S by Sept. 14.

CANNED PINEAPPLES (pieces)—1,500 dozen No. 2 1/2 cans, f.o.b. origin. Bids due under Invitation No. 47-S by Sept. 14.

CANNED PINEAPPLE AND JUICE—6,000 dozen No. 2 cans of slices (Diabetic), 7,750 dozen No. 10 cans of slices (Fancy), 2,256 dozen No. 10 cans of crushed (Fancy), 5,000 dozen No. 10 cans of tidbits (Choice) and 18,000 dozen No. 10 cans of juice, all f.o.b. origin. Bids due under Invitation No. 42-S by Sept. 20.

Over-All Army Procurement

Approximately 42 percent of the Army's procurement dollars were spent with "small" business during the fiscal year 1949, according to an estimate by the Department of the Army. They received about \$846,000,000 of a total \$2,000,000,000 spent in the continental United States.

For this report, the Army employed a Congressional definition that "small" business firms are those which employ fewer than 500 persons, are independently owned and operated, and are not dominant in their field.

STATISTICS

Parity Ratio Declines To Lowest Point Since 1941

Farm product prices on August 15, 1949, were averaging closer to the parity level than at any time since our entry into World War II, the Bureau of Agricultural Economics announced this week. The parity ratio (ratio of prices received to prices paid, interest, and taxes) at 101 percent was the same as for December, 1941.

The index of prices received by farmers declined 4 points to 245 percent of the August 1909-July 1914 average. Most commodities were lower than a month earlier, but important exceptions were noted. The most important declines were in fruits, meat animals, and cotton, with apples, oranges, and peaches contributing most to the decline in fruits.

Lower living costs reduced the parity index (prices paid by farmers, including interest and taxes) 1 point during the month. The index was 243 percent of its 1910-14 base, or only about 3 percent under the record high of a year ago.

Retail prices paid by farmers for clothing, food, furniture, and building

materials were down from July, while prices of farm production goods averaged the same on August 15 as a month earlier.

Prices of all important fruits showed substantial declines since mid-July, and the index declined 34 points (18 percent) during the month to average 160 percent of the August 1909-July 1914 average in mid-August. A year ago the fruit index stood at 183.

Poultry Canned in July

The quantity of poultry canned or used in canning during July totaled 10,299,000 pounds, according to the Bureau of Agricultural Economics. This total is 18 percent less than the 12,490,000 pounds used in July last year. The quantity used during the first 7 months of this year totaled 74,834,000 pounds, compared with 85,898,000 pounds during the same period last year, a decrease of 13 percent.

July Canned Meat Pack

The pack of canned meat processed in "official establishments" during July, 1949, as reported by the Department of Agriculture, is shown below:

Canned Meat and Meat Products Packed by Official Establishments, July 1949*

| | 3 lbs. and over | Under 3 lbs. | Total |
|-------------------------|----------------------|--------------|--------|
| | (in thousand pounds) | | |
| Luncheon meat..... | 16,333 | 11,329 | 27,662 |
| Canned hams..... | 7,790 | 280 | 8,070 |
| Corned beef..... | 286 | 3,020 | 3,306 |
| Chili con carne..... | 48 | 3,446 | 3,494 |
| Vienna sausage..... | 64 | 2,752 | 2,816 |
| Tamales..... | 9 | 1,162 | 1,171 |
| Meat stew..... | 27 | 1,749 | 1,776 |
| Others..... | 1,855 | 15,316 | 20,169 |
| Total all products..... | 26,409 | 48,055 | 69,464 |

* Columns do not add to totals shown in all cases since rounded figures are used.

BLS Consumer Price Index

Price indexes for foods and other principal cost-of-living items as of July 15 were reported by the Bureau of Labor Statistics as follows:

| | BLS Consumer Price Index (1935-39 = 100) | |
|---------------------------------|---|--------------|
| | June 15 1949 | July 15 1949 |
| Fresh meats, poultry, fish..... | 240.6 | 236.0 |
| Dried fruits & vegetables..... | 227.3 | 228.1 |
| Fresh fruits & vegetables..... | 231.1 | 221.2 |
| All fruits & vegetables..... | 217.9 | 210.2 |
| Beverages..... | 207.6 | 208.2 |
| Eggs..... | 198.0 | 204.1 |
| All foods..... | 204.3 | 201.7 |
| Dairy products..... | 182.0 | 182.3 |
| Sugar & sweets..... | 176.5 | 176.3 |
| Cereals & bakery products..... | 169.7 | 169.5 |
| All cost of living items..... | 169.6 | 168.5 |
| Canned fruits & vegetables..... | 155.3 | 154.2 |
| Fats & oils..... | 142.9 | 141.0 |

PUBLICITY

Collier's Year Book Cites Industry's Price Record

The continuing high production and the low postwar prices of canned foods are described in an article on the "Canning Industry" in the 1949 edition of *Collier's Year Book*, covering the events of the year 1948, just released.

The article made use of statistics supplied by the National Canners Association to point out the industry's maintenance of high production for the past eight years. Of canned food prices, the yearbook stated:

"For the second consecutive year the retail prices of canned fruits and vegetables, by comparison with prewar levels, showed less increase than other foods. The index of prices of canned fruits and vegetables, reported by the United States Bureau of Labor Statistics, was roughly about 158 percent of the prewar level while the price index for all foods remained above 200 percent of prewar."

The publicity campaigns undertaken by the N.C.A. to call attention to canned foods prices and the nutritive values of canned foods also were recognized by the article, as follows:

"These facts were widely disseminated to the United States public through statements appearing in the daily press, and the industry also engaged during the year in educational and publicity campaigns devoted to the findings of its six-year, \$250,000 research into the nutritional values of canned foods, conducted through grants made to nine major universities. Assays of 42 principal canned fruits, vegetables, fruit juices, and fish were reported, showing the average net-after-processing values in fats, carbohydrates, and proteins; for calcium, iron, and phosphorus; for vitamin C, vitamin A, and four of the B-vitamins (thiamin, niacin, riboflavin, and pantothenic acid). These findings were placed before food classes, nutrition groups, clubwomen, medical and dietary institutions, home economists, and other professional groups dealing with foods, and were conveyed to the general consuming public through press and radio.

Ozark Canners Association

The fall meeting of the Ozark Canners Association will be held November 4 at the Colonial Hotel, Springfield, Mo., according to an announcement by F. R. Spurgin, secretary-treasurer.

Forthcoming Meetings

- September 29-October 1—Texas Canners Association, Annual Convention, Plaza Hotel, San Antonio.
- October 3-4—United States Wholesale Grocers Association, Midyear Meeting, Grove Park Inn, Asheville, N. C.
- October 4-6—Fourth Annual Industrial Packaging and Materials Handling Exposition, Convention Hall, Detroit.
- October 12-15—National Association of Food Chains, Annual Meeting, Hotels Mayflower and Statler, Washington, D. C.
- October 20-22—Florida Canners Association, 18th Annual Meeting, Sheraton Plaza Hotel, Daytona Beach, Fla.
- November 4—Ozark Canners Association, Fall Meeting, Colonial Hotel, Springfield, Mo.
- November 7-8—Wisconsin Canners Association, 45th Annual Convention, Schroeder Hotel, Milwaukee, Wis.
- November 14-15—Illinois Canners Association, Fall Meeting, Bismarck Hotel, Chicago.
- November 14-16—Grocery Manufacturers of America, Inc., 41st Annual Meeting, Waldorf-Astoria, New York.
- November 21-22—Pennsylvania Canners Association, 36th Annual Convention, Penn-Harris Hotel, Harrisburg.
- November 23-25—Michigan Canners Association, Fall Meeting, Pantlind Hotel, Grand Rapids, Mich.
- December 1-2—Tri-State Packers Association, 45th Annual Meeting, Mayflower Hotel, Washington, D. C.
- December 1-3—Indiana Canners Association, Fall Convention, Claypool Hotel, Indianapolis.
- December 5-6—Association of New York State Canners, Inc., Annual Convention, Hotel Statler, Buffalo.
- December 13-14—Ohio Canners Association, Annual Convention, Deshler-Wallich Hotel, Columbus.
- January 22-31—Annual Conventions of National Canners Association, National Food Brokers Association, and Canning Machinery & Supplies Association, Atlantic City, N. J.
- January 23-24—Canadian Food Processors Association, Annual Convention, Ritz-Carlton Hotel, Montreal.

January 22-31—National-American Wholesale Grocers Association, Annual Convention, The Ambassador, Atlantic City, N. J.

March 9-10—Canners League of California, Fruit and Vegetable Sample Cuttings, Fairmont Hotel, San Francisco, Calif.

March 15-17—Northwest Canners Association, Annual Meeting, Multnomah Hotel, Portland, Ore.

March 23-24—Canners League of California, Annual Convention, Biltmore Hotel, Santa Barbara, Calif.

DEATHS

James C. Capt

James C. Capt, who retired only two weeks ago as director of the Bureau of the Census, died at the Naval Hospital, Bethesda, Md., on August 30. He had been hospitalized six weeks.

B. M. Gaddis

B. M. Gaddis, 58, of the USDA's Bureau of Entomology and Plant Quarantine died in Washington, D. C., on August 25. Leader of the Division of Domestic Plant Quarantine since 1934, Mr. Gaddis gained prominence for his ability to organize and direct insect and plant pest programs of an emergency nature. Some years ago he was in charge of control operations against the Mediterranean fruit fly in Florida and Georgia, and later aided in Mexican fruit fly quarantine procedures in Texas.

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